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C O N F I D E N T I A L SECTION 01 OF 03 MANAGUA 002701

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DEPARTMENT FOR WHA/CEN

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [KDEM](#) [NU](#)
SUBJECT: APRE RENEGOTIATING ALLIANCE WITH ALN

REF: A. MANAGUA 2673
[1](#)B. MANAGUA 2646 AND PREVIOUS
[1](#)C. MANAGUA 0392
[1](#)D. 2005 MANAGUA 3246

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

[1](#)1. (C) Summary: Alliance for the Republic (APRE) President/National Assembly deputy Miguel Lopez Baldizon claims that his party's formal agreement with the Nicaraguan Liberal Alliance (ALN) expired following Nicaragua's November national elections, but he is negotiating a new alliance with the ALN and hopes to serve as one of ALN president/incoming Assembly deputy Eduardo Montealegre's senior advisers. Lopez Baldizon, who ran on the ALN's slate of National Assembly deputies but was not elected, informed recently informed polcouns that APRE expects to hold its annual board elections in February. He believes that the ALN and its political allies must craft a joint strategy or risk losing momentum, arguing that much of the ALN's votes in November were "soft" and thanks in large part to the support of its political allies. He claims that the National Assembly's contributions of funds to "ghost" foundations is even worse than reported and involves both PLC and FSLN lawmakers. End Summary.

[1](#)2. (C) On December 13, APRE President/National Assembly deputy Miguel Lopez Baldizon assured polcouns that, while his party's formal agreement with the ALN expired following the November elections, he is negotiating a new alliance with ALN President Eduardo Montealegre and hopes to serve as one of Montealegre's senior advisers. He acknowledged that the media had "misinterpreted" his recent remarks to the effect that APRE had broken its alliance with the ALN, when in fact, the alliance had expired and APRE is negotiating a new accord. This time, APRE will take more time to negotiate, however. (Note: As APRE President, Lopez Baldizon joined the ALN alliance just hours before the Supreme Electoral Commission's (CSE) May 11 deadline. End Note.)

APRE TO HOLD INTERNAL ELECTIONS IN FEBRUARY
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[1](#)3. (C) According to Lopez Baldizon, who was seventh on the ALN's national slate of Assembly deputies but was not reelected, APRE should hold its annual board elections o/a February 8. He is seeking financial backing from the private sector for the event. He downplayed former APRE presidential candidate Jose Antonio Alvarado's influence in the party, noting that after Alvarado reunited with Arnaldo Aleman's Liberal Constitutional Party (PLC) and ran as the PLC's vice presidential candidate, the vast majority of APRE supporters backed APRE's official alliance with the ALN.

IN SEARCH OF A JOINT STRATEGY AND NEGOTIATING SKILLS

14. (C) Lopez Baldizon voiced concern that the ALN and its political allies lack a joint strategy that will enable the alliance to defend its interests in the National Assembly and prepare for the 2008 municipal and 2011 national elections. Asserting that most of the ALN's votes in November were "soft" and thanks in large part to the support of its political allies, Lopez Baldizon criticized ALN members, like Montealegre confidentes Eliseo Nunez Jr. and Sr., who argue that the ALN should run without its allied parties for the 2008 municipal elections. He asserted that without its allies, the ALN would not have placed second in the presidential race -- noting that about 60% of ALN's party poll watchers (fiscales) who monitored the November 5 elections in Managua and defended the ALN's votes were APRE members.

15. (C) Regarding ongoing Assembly negotiations over its new Executive Board (Junta Directiva) and committee leadership, Lopez Baldizon questioned Montealegre's choice of Yamileth Bonilla, Eliseo Nunez, Sr., Luis Callejas, and Jorge Matamoros to represent the ALN's interests -- terming them "confrontational" intermediaries that likely rile their Sandinista National Liberation Front (FSLN) counterparts. Further, the personal ambitions of these ALN negotiators to occupy key leadership positions in the legislature present a conflict of interest, he argued. Rather, ALN intermediaries should negotiate for the "good of the alliance."

16. (C) Lopez Baldizon, who recently returned from Tokyo where he and Assembly President Eduardo Gomez participated in the annual Forum of Parliamentarians for Global Action, shared his efforts to establish a think tank that would help the new opposition to compete against the FSLN government. He is meeting with members of the Bolanos government, Movimiento por Nicaragua (MpN) and other civil society groups, and universities to work on this project. Lopez Baldizon mentioned that INCAE's Eduardo Montiel was receptive to the idea of establishing a degree or certificate program on "political management."

PLC MILITANTS SIGNAL INTEREST IN JOINING THE ALN

17. (C) Regarding the possible "recruitment" of "salvageable" incoming and lame duck PLC Assembly deputies to the ALN caucus, Lopez Baldizon suggested that Jaime Garcia, Guillermo Montenegro, Lombardo Martinez, and possibly Carlos Noguera, "were ripe for the picking." Montenegro had complained to him, however, that Montealegre was lukewarm in his reception of Montenegro (Montenegro was not reelected). As for PLC deputy Enrique Quinonez, Lopez Baldizon opined that Quinonez is "not desirable" and the ALN should not seek him out.

CONTRIBUTIONS TO "GHOST" FOUNDATIONS

18. (C) Responding to polcouns' query regarding the recent press coverage alleging that a number of lawmakers have misused government funds to support "ghost" NGOs, Lopez-Baldizon confirmed that this activity is common. He claimed, however, that the left-leaning daily Nuevo Diario's coverage of these irregularities is lopsided because the reports almost exclusively point to PLC lawmakers engaged in the wrongdoing when FSLN deputies are also at fault. Lopez Baldizon believes the scope of the problem is even worse than reported, estimating that PLC and FSLN lawmakers have diverted up to 100 million cordobas (about USD 5.5 million) to these non-existent NGOs.

19. (C) According to Lopez Baldizon, the 100 million cordobas is in addition to the annual budgeting of 420,000 cordobas for each Assembly deputy to dedicate to social projects. Members of the Assembly's economic committee should be partly held responsible for these irregularities because the

committee proposes the donations, he said. (Note: Members of the current economic committee include Wilfredo Navarro (PLC), Maria Haydee Osuna (PLC), Walmaro Gutierrez (FSLN), Bayardo Arce (FSLN), Noel Ramirez (PLC), Enrique Quinonez (PLC), Rene Nunez (FSLN), Jose Figueroa (FSLN) Alba Palacios (FSLN), Eduardo Mena (PLC), Oscar Moncada (PLC). End Note.)

WAYS AND MEANS LAW IN THE FAST LANE, FOIA ON HOLD

¶10. (C) Lopez Baldizon criticized the National Assembly's decision to expedite the passage of a new Organic Ways and Means Law (Ref. B) that reinforces the PLC-FSLN power-sharing pact and allows Assembly committees to summon individuals and entities at whim. He predicted, however, that President Bolanos will veto the law, which would mean that the new Assembly Junta would serve only one, not two years and would place the onus for reviving the bill on the next assembly and President-elect Daniel Ortega. Lopez Baldizon contrasted the Assembly's quick action on the ways and means law to its stalling on passing the Freedom of Access to Information Law that would provide the public access to government information. He ventured that the ALN is willing to support the information law, but while the FSLN claims it will lend its 38 votes, it continues to stall. Polcouns remarked that FSLN International Affairs Secretary Samuel Santos had assured us the FSLN supports the bill (Ref. A). She encouraged Lopez Baldizon to raise the matter with FSLN/Convergencia deputies Edwin Castro and Agustin Jarquin.

COMMENT

¶11. (C) APRE, which was part of President Bolanos' effort to break Aleman's hold on Nicaragua's Liberals, enjoys little political clout and only one APRE deputy, Eduardo Gomez, was elected to the new Assembly, on the ALN ticket. Without the ALN, APRE's future is bleak, and we expect that Lopez Baldizon will keep his party within the ALN alliance. Along with the other lawmakers who were not reelected, Lopez Baldizon is now focusing his energies on finding a new job. Thus far, he has shown considerable political mettle and appears to support the evolution of Nicaragua's caudillo political culture into one that is truly democratic.

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